

# SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts			Variances -
	(GAAP Basis)			Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:			(GAAP Basis)	Final
				to Actual
Revenue limit sources	\$ 245,150,210	\$ 245,263,580	\$ 263,341,371	\$ 18,077,791
Federal sources	43,595,223	47,344,226	41,053,216	(6,291,010)
Other state sources	93,327,254	97,070,327	97,753,465	683,138
Other local sources	39,508,421	44,151,637	62,678,405	18,526,768
Total revenues:	421,581,108	433,829,770	464,826,457	30,996,687
Expenditures				
Current				
Instruction	217,030,058	235,545,729	212,627,812	22,917,917
Instruction related activities:				
Supervision of instruction	38,657,572	56,692,476	39,060,628	17,631,848
Instructional library, media and technology	2,511,140	4,245,412	2,766,199	1,479,213
School site administration	31,320,039	32,076,049	29,899,149	2,176,900
Pupil services:				
Home-to-school transportation	9,454,634	34,639,742	9,090,077	25,549,665
Food services	107,301	112,808	62,812	49,996
All other pupil services	18,553,020	500,231	19,285,965	(18,785,734)
General Administration:				
Data processing	6,406,077	7,117,989	6,851,870	266,119
All other general administration	43,930,490	51,209,968	49,846,443	1,363,525
Plant services	26,930,098	39,521,205	39,654,997	(133,792)
Facility acquisition and construction	4,681,090	6,600,334	4,462,575	2,137,759
Ancillary services	501,010	1,846,890	1,786,951	59,939
Community services	-	167,415	14,568	152,847
Other outgo	15,436,522	18,815,719	45,235,854	(26,420,135)
Debt service				
Principal	-	-	219,813	(219,813)
Interest	-	1,510,000	1,512,220	(2,220)
TOTAL EXPENDITURES	415,519,051	490,601,967	462,377,933	28,224,034
Excess (deficiency) of revenues over expenditures	6,062,057	(56,772,197)	2,448,524	59,220,721
Other Financing Uses:				
Transfers out	(3,974,666)	-	(11,866,028)	(11,866,028)
NET CHANGE IN FUND BALANCES	2,087,391	(56,772,197)	(9,417,504)	47,354,693
Fund balance - Beginning	31,943,536	31,943,536	31,943,536	-
Prior period adjustment	-	-	(1,887,341)	(1,887,341)
Fund balance - Ending	\$ 34,030,927	\$ (24,828,661)	\$ 20,638,691	\$ 45,467,352

The accompanying notes are an integral part of these financial statements.

# SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## COUNTY SCHOOL SERVICE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts (GAAP Basis)		Actual (GAAP Basis)	Variances - Favorable (Unfavorable)
	Original	Final		Final to Actual
<b>Revenues:</b>				
Revenue limit sources	\$ 25,838,883	\$ 25,838,883	\$ 13,658,710	\$ (12,180,173)
Federal sources	8,284,938	12,227,897	12,352,184	124,288
Other state sources	44,933,461	44,896,235	41,346,678	(3,549,557)
Other local sources	22,150,270	22,190,925	36,177,991	13,987,066
<b>Total revenues:</b>	101,207,552	105,153,939	103,535,563	(1,618,376)
<b>Expenditures</b>				
<b>Current</b>				
Instruction	67,653,651	72,075,378	68,433,439	3,641,939
Instruction related activities:				
Supervision of instruction	4,010,624	4,292,640	3,460,962	831,678
Instructional library, media and technology	6,429	26,429	-	26,429
School site administration	1,023,618	1,091,929	1,222,696	(130,767)
Pupil services:				
Home-to-school transportation	11,043,022	24,232,179	11,052,236	13,179,943
All other pupil services	10,921,078	-	13,844,532	(13,844,532)
General Administration:				
All other general administration	790,772	5,905,679	1,825,137	4,080,542
Plant services	-	-	-	-
Ancillary services	-	227,668	79,797	147,871
Other outgo	5,000,000	130,326	4,999,186	(4,868,860)
<b>TOTAL EXPENDITURES</b>	100,449,194	107,982,228	104,917,985	3,064,243
<b>Excess (deficiency) of revenues over expenditures</b>	758,358	(2,828,289)	(1,382,422)	1,445,867
<b>Other Financing Sources:</b>				
Transfers in	-	-	991,551	991,551
<b>NET CHANGE IN FUND BALANCES</b>	758,358	(2,828,289)	(390,871)	2,437,418
Fund balance - Beginning	-	-	-	-
Prior Period adjustment	-	-	390,871	390,871
Fund balance - Ending	\$ 758,358	\$ (2,828,289)	\$ -	\$ 2,828,289

The accompanying notes are an integral part of these financial statements.

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***SUPPLEMENTARY INFORMATION***

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# SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2004

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed through California Department of Education (CDE):			
21st Century Community Learning Center	84.287	14350	\$ 4,288,997
Arts in the City - Federal Magnet Program	84.165	[3]	547,960
IASA: Title I-Capital Expenses/Private Schools	84.216	13953	93,597
IASA: Title II-Eisenhower (01/02)	84.281A	3207	14,887
IASA: Title XI Coordinated Services (01/02)	84.144	10025	89,648
Drug and Violence Prevention in Middle Schools	84.186	14347	284,695
Emergency Response and School Safety	[2]	[3]	47,924
EPA Indoor Air Quality For Schools	[2]	[3]	7,963
ES Foreign Language Program (Flip)	84.293	[3]	76,165
Federal School Renovation Classroom Technology	84.352A	14318	888,850
Indian Education	84.060	10011	58,894
Language Assistance - Japanese	[2]	[3]	504,243
No Child Left Behind			
Title I-Achieving Schools Award [1]	84.010	14429	231,559
Title I-Basic Grants Low Income and Neglected [1]	84.010	14329	17,097,276
Title I-Comprehensive School Reform Demonstration [1]	84.010	13966	145,512
Title I-Even Start Family Literacy	84.213	14331	447,234
Title I-Migrant Ed (Regular and Summer Program)	84.011	13174	149,020
Title II-Enhancing Education Through Technology	84.318	14335	187,528
Title II-Teacher Quality	84.367	14341	2,220,941
Title III-Bilingual Education	84.290	10008	1,897,125
Title III-Limited English Proficiency (LEP)	84.365	10084	769,301
Title I-Local Delinquent Programs	84.013	13798	144,786
Title I-Local Improvement Plan	84.011	13067	342,154
Title I-Reading First Program	84.357	14328	1,266,083
Title IV-21st Century Community Centers	84.287	14349	358,377
Title IV-Drug-Free Schools	84.186	14347	480,176
Title V-Character Education	84.215	13063	355,019
Title V-Charter Schools Grants	84.282	13150	855,614
Title V-Innovative Education Strategies	84.298A	14354	407,249
Title X-McKinney-Vento Homeless Assistance Grants	84.196	14332	102,832
Safe and Drug Free-Learning Environment	84.186	13452	1,608,375
Schoolwide Programs (SWP)	84.010	10003	(357,112)
San Francisco Gear-up Partnership	84.334	10088	1,235,965

See accompanying note to supplementary information.

**SAN FRANCISCO UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2004**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Shaping Our Lives Everyday (SOLE)	[2]	[3]	108,669
Smaller Learning Communities	84.287	14350	370,986
Special Education			
Basic Local Assistance Entitlement	84.027	13379	9,213,404
County Mental Health Services	84.027	14467	1,429,557
Early Intervention Grants	84.181	13761	130,932
Local Staff Development Grant	84.027A	13613	35,444
Mental Health Allocation Plan	84.027	14468	132,067
Preschool Grants	84.173	13430	357,014
Preschool Local Entitlement	84.027A	13682	509,478
State Improvement Grant, Improving Special Ed Systems	84.323	13904	4,778
Workability I	84.027	13705	177,500
Students Healthy and Physical Everyday (SHAPE)	84.000	12100	144,587
Urban Systemic Program	84.000	[3]	1,101,137
Vocational Programs: Postsecondary	84.048	13578	14,385
Vocational Programs: Vocational and Applied Technology	84.048	13577	537,002
Other	[2]	[3]	31,866
Subtotal			<u>51,147,643</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
National School Lunch Program [1]	10.555	13524	9,498,835
Child Care Food Program -Centers and Family Day	10.558	13393	1,590,363
Subtotal			<u>11,089,198</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN RESOURCES</b>			
Quality Improvement Activities	93.575	13942	13,534
School-Age Child Care Resource Contracts	93.575	13941	10,004
Infant/Toddler Child Care Resource Contracts	93.575	13942	2,030
Comprehensive Health Program	93.938	11982	394,649
Comprehensive School Health Local Training	93.938	[3]	278,771
Federal Child Care, Center-based [1]	93.596	13609	18,368,255
Head Start	93.600	10016	355,196
Medi-Cal Billing Option	93.778	10013	1,037,905
NSF - Inquires	[2]	[3]	342,490
Scientific Proven Asthma Intervention	[2]	[3]	112,817
Subtotal			<u>20,915,651</u>

See accompanying note to supplementary information.

**SAN FRANCISCO UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2004**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>U.S. DEPARTMENT OF REHABILITATION</b>			
Passed through California Department of Education (CDE):			
Transition Partnership Grant	84.158	00006	<u>(25,177)</u>
<b>U.S. DEPARTMENT OF LABOR</b>			
Workforce Investment Act (formerly JTPA)	17.255	13422	57,516
Workforce Investment Act From Other Agencies	17.255	10055	<u>58,786</u>
Subtotal			<u>116,302</u>
Total			<u><u>\$83,243,617</u></u>

[1] Tested as major program

[2] CFDA number not available

[3] Pass-Through entity identifying number not available

See accompanying note to supplementary information.

**SAN FRANCISCO UNIFIED SCHOOL DISTRICT**

**SUMMARY OF THE OFFICE OF CRIMINAL JUSTICE PLANNING GRANTS  
FOR THE YEAR ENDED JUNE 30, 2004**

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Program Description

School Safety Program

Grant Number: JC98011685

Grant Period: July 1, 1999 through June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES	\$ 960,000	\$ 604,510	\$ 355,490
EXPENDITURES			
Personal services	709,737	316,509	393,228
Operating expenses	246,912	315,278	(68,366)
Equipment	3,351	3,351	-
	<u>\$ 960,000</u>	<u>\$ 635,138</u>	<u>\$ 324,862</u>

See accompanying note to supplementary information.



# SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## SCHEDULE OF AVERAGE DAILY ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2004

	Amended Second Period Report	Annual Report
<b>ELEMENTARY</b>		
Kindergarten	3,690	3,702
First through third	11,706	11,692
Fourth through sixth	11,959	11,939
Seventh and eighth	7,834	7,828
Home and hospital	2	2
County Community School	18	22
Juvenile hall	8	11
Special education	1,310	1,338
Nonpublic/ Nonsectarian Schools	91	94
Total Elementary	36,618	36,628
<b>SECONDARY</b>		
Regular classes	15,718	15,585
Continuation education	313	286
Home and hospital	2	2
County Community School	312	327
Juvenile hall	132	130
Special education	749	750
Nonpublic/ Nonsectarian Schools	166	170
Student in Cal-SAFE	62	65
Total Secondary	17,454	17,315
Total K-12	54,072	53,943
<b>REGIONAL OCCUPATIONAL PROGRAM</b>	332	346
<b>CHARTER SCHOOL</b>		
Elementary	437	432
High School	1,122	1,108
Total Charter School	1,559	1,540
Grand Total	55,963	55,829
<b>SUMMER SCHOOL</b>		Hours of Attendance
Grades K-12 Core Instruction		120,236
Grades 7-12 Remedial Instruction		158,299
Grades 2-9 Pupils Retained		133,222
Total Hours		411,757

See accompanying note to supplementary information.

**SAN FRANCISCO UNIFIED SCHOOL DISTRICT****SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2004**

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Grade Level	1986-87	1982-83	2003-04	<u>Number of Days</u>	Status
	Minutes Requirement	Actual Minutes	Actual Minutes	Traditional Calendar	
Kindergarten	36,000	32,014	36,900	180	In Compliance
Grades 1 - 3	50,400	45,755	50,520	180	In Compliance
Grades 4 - 6	54,000	48,788	54,040	180	In Compliance
Grades 7 - 8	54,000	57,525	57,540	180	In Compliance
Grades 9 - 12	64,800	58,458	64,800	180	In Compliance

See accompanying note to supplementary information.

**SAN FRANCISCO UNIFIED SCHOOL DISTRICT**

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004**

Summarized below are the fund balance reconciliations between the Unaudited Actual Financial Report, and the audited financial statements.

	<u>General</u>	<u>County School Service Fund</u>
<b>FUND BALANCE</b>		
Balance, June 30, 2004, (Unaudited Actual)	\$ 35,171,245	\$ 1,573,066
Excess ERAF transfer	(860,170)	860,170
Revenue limit adjustments	2,597,759	(3,424,787)
Additional lottery accrual	771,408	-
Deferral of SRS settlement proceeds	(16,050,000)	-
General fund contribution	(991,551)	991,551
Balance, June 30, 2004, Audited Financial Statements	<u>\$ 20,638,691</u>	<u>\$ -</u>

	<u>Special Reserve Capital Outlay</u>	<u>Self Insurance</u>	<u>Child Development</u>
<b>FUND BALANCE</b>			
Balance, June 30, 2004, (Unaudited Actual)	\$ (344,647)	\$ 252,031	\$ 416,735
Increase (Decrease) in accounts receivable	(2,287,907)	-	(264,831)
Decrease (Increase) in accounts payable	-	(10,265,000)	354,828
Balance, June 30, 2004, Audited Financial Statements	<u>\$ (2,632,554)</u>	<u>\$ (10,012,969)</u>	<u>\$ 506,732</u>

See accompanying note to supplementary information.

# SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2004

	(Budget) 2005 <sup>1</sup>	2004	2003	2002
<b>GENERAL FUND</b>				
Revenues	\$ 472,366,526	\$ 464,826,457	\$ 450,985,053	\$ 454,215,022
Other sources and transfers in	-	-	6,680,947	85,000
Total Revenues and Other Sources	472,366,526	464,826,457	457,666,000	454,300,022
Expenditures	457,392,794	462,377,933	471,384,277	456,741,741
Other uses and transfers out	9,778,353	11,866,028	21,454,590	16,805,060
Total Expenditures and Other Uses	467,171,147	474,243,961	492,838,867	473,546,801
INCREASE/(DECREASE) IN FUND BALANCE	\$ 5,195,379	\$ (9,417,504)	\$ (35,172,867)	\$ (19,246,779)
ENDING FUND BALANCE	\$ 25,834,070	\$ 20,638,691 <sup>3</sup>	\$ 31,943,536	\$ 59,113,687
AVAILABLE RESERVES <sup>2</sup>	\$ 3,188,854	\$ (6,921,412)	\$ 8,568,169	\$ 26,254,136
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO	0.7%	-1.5%	1.7%	5.5%
LONG-TERM DEBT	\$ 65,647,715	\$ 67,553,549	\$ 60,107,124	\$ 63,638,742
AVERAGE DAILY ATTENDANCE AT P-2 <sup>4</sup>	55,572	55,963	56,419	56,746

The General Fund balance has decreased by \$38,474,996 over the past two years. The fiscal year 2004-05 budget projects an increase of \$5,195,379, or 25.17 percent. For a district this size, the State recommends available reserves of at least 2 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The deficit available reserve amount reflects the recognition in the 2003-04 fiscal year of half of the proceeds from a legal settlement totaling \$32.1 million. The remaining \$16.05 million was not recognized for the purpose of preparing these financial statements; instead, these revenues will be recognized in the 2004-05 fiscal year (see page 50).

The District has incurred operating deficits in all of the past three years but anticipates incurring an operating surplus during the 2004-05 fiscal year. Total long-term debt has increased by \$3,914,807 over the past two years.

Average daily attendance has decreased by 783 over the past two years. Additional decline of 391 ADA is anticipated during fiscal year 2004-05.

<sup>1</sup> Budget 2005 is based on the most current District projection and is included for analytical purposes only and has not been subjected to audit.

<sup>2</sup> Available reserves deficit consists of the undesignated fund balance deficit in the general fund, offset by the ending fund balance or deficit of the child development and cafeteria funds.

<sup>3</sup> Includes prior period adjustments of \$1,887,341.

<sup>4</sup> ADA amounts include all District, County and Charter School programs.

See accompanying note to supplementary information.

# **SAN FRANCISCO UNIFIED SCHOOL DISTRICT**

## **SCHEDULE OF CHARTER SCHOOLS FOR THE YEAR ENDED JUNE 30, 2004**

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<u>Name of Charter School</u>	<u>Included in Audit Report</u>
Creative Arts Charter School	No
Gateway High Charter School	No
Leadership High Charter School	No
Life Learning Academy School	No
Five Keys Academy School	No
Cross Cultural Academy Charter School	No
KIPP Bayview Academy School	No
City Arts and Technology High School	No
Metropolitan Arts and Technology High School	No
KIPP Bay Academy	No

See accompanying note to supplementary information.

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**SAN FRANCISCO UNIFIED SCHOOL DISTRICT**

**NON-MAJOR GOVERNMENTAL FUNDS  
BALANCE SHEET, UNAUDITED  
JUNE 30, 2004**

	<b>Child Development</b>	<b>Cafeteria</b>	<b>Deferred Maintenance</b>	<b>Capital Facilities</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 4,000	\$ 7,120	\$ -
Investments	554,069	-	5,891,723	4,692,583
Receivables	1,464,579	3,816,375	12,298	9,680
Stores inventories	-	104,601	-	-
<b>Total assets</b>	<b>\$ 2,018,648</b>	<b>\$ 3,924,976</b>	<b>\$ 5,911,141</b>	<b>\$ 4,702,263</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Overdrafts	\$ -	\$ 3,635,907	\$ -	\$ -
Accounts payable	1,279,596	366,907	391,895	53,470
Due to other funds	-	-	-	-
Deferred revenue	232,320	-	-	-
<b>Total liabilities</b>	<b>1,511,916</b>	<b>4,002,814</b>	<b>391,895</b>	<b>53,470</b>
<b>Fund Balances:</b>				
<b>Reserved for:</b>				
Stores inventories	-	104,601	-	-
Other reservations	-	4,000	-	-
<b>Unreserved:</b>				
<b>Undesignated, reported in:</b>				
Special revenue funds	506,732	(186,439)	5,519,246	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	4,648,793
<b>Total fund balance</b>	<b>506,732</b>	<b>(77,838)</b>	<b>5,519,246</b>	<b>4,648,793</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,018,648</b>	<b>\$ 3,924,976</b>	<b>\$ 5,911,141</b>	<b>\$ 4,702,263</b>

See accompanying note to supplementary information.

State School Building	County School Facilities	Special Reserve Capital Outlay	Tax Override	Debt Service	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,120
6,301,472	15,906,547	-	38,604	-	33,384,998
13,046	48,303	-	-	249,373	5,613,654
-	-	-	-	-	104,601
<u>\$ 6,314,518</u>	<u>\$ 15,954,850</u>	<u>\$ -</u>	<u>\$ 38,604</u>	<u>\$ 249,373</u>	<u>\$ 39,114,373</u>
\$ -	\$ -	\$ 1,817,849	\$ -	\$ 249,373	\$ 5,703,129
154,914	1,484,593	14,705	-	-	3,746,080
-	-	800,000	-	-	800,000
6,159,605	12,626,195	-	-	-	19,018,120
<u>6,314,519</u>	<u>14,110,788</u>	<u>2,632,554</u>	<u>-</u>	<u>249,373</u>	<u>29,267,329</u>
-	-	-	-	-	104,601
-	-	-	-	-	4,000
-	-	-	-	-	5,839,539
-	-	-	38,604	-	38,604
(1)	1,844,062	(2,632,554)	-	-	3,860,300
(1)	1,844,062	(2,632,554)	38,604	-	9,847,044
<u>\$ 6,314,518</u>	<u>\$ 15,954,850</u>	<u>\$ -</u>	<u>\$ 38,604</u>	<u>\$ 249,373</u>	<u>\$ 39,114,373</u>



# SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## NON-MAJOR GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, UNAUDITED FOR THE YEAR ENDED JUNE 30, 2004

	Child Development	Cafeteria	Deferred Maintenance	Capital Facilities
<b>REVENUES</b>				
Federal sources	\$ 20,339,382	\$ 9,498,835	\$ -	\$ -
Other state sources	8,437,861	607,447	-	-
Other local sources	2,480,412	2,770,806	81,120	2,861,452
<b>Total Revenues</b>	<b>31,257,655</b>	<b>12,877,088</b>	<b>81,120</b>	<b>2,861,452</b>
<b>EXPENDITURES</b>				
Current				
Instruction	22,219,716	-	-	-
Instruction related activities:				
Supervision of instruction	283,950	-	-	-
School site administration	3,416,630	-	-	-
Pupil Services:				
Food services	4,011,686	12,566,731	-	-
All other pupil services	308,186	-	-	-
General administration:				
All other general administration	5,467,791	732,319	-	-
Plant services	163,447	331,170	2,322,425	-
Facility acquisition and construction	(839,828)	77,837	4,439,495	(107,908)
Other outgo	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other	-	-	-	-
<b>Total Expenditures</b>	<b>35,031,578</b>	<b>13,708,057</b>	<b>6,761,920</b>	<b>(107,908)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,773,923)</b>	<b>(830,969)</b>	<b>(6,680,800)</b>	<b>2,969,360</b>
<b>Other Financing Sources:</b>				
Transfers in	4,222,808	753,129	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>448,885</b>	<b>(77,840)</b>	<b>(6,680,800)</b>	<b>2,969,360</b>
<b>Fund Balance - Beginning</b>	<b>57,847</b>	<b>2</b>	<b>12,200,046</b>	<b>1,679,433</b>
<b>Prior Period Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 506,732</b>	<b>\$ (77,838)</b>	<b>\$ 5,519,246</b>	<b>\$ 4,648,793</b>

See accompanying note to supplementary information.

State School Building	County School Facilities	Special Reserve Capital Outlay	Tax Override	Debt Service	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,838,217
136,428	7,480,552	-	1,236	-	16,663,524
100,833	283,801	114,000	178,134	-	8,870,558
237,261	7,764,353	114,000	179,370	-	55,372,299
-	-	-	-	-	22,219,716
-	-	-	-	-	283,950
-	-	-	-	-	3,416,630
-	-	-	-	-	16,578,417
-	-	-	-	-	308,186
-	-	-	-	-	6,200,110
-	-	(6,544)	-	-	2,810,498
237,262	7,848,275	-	-	-	11,655,133
-	-	2,287,907	-	-	2,287,907
-	-	374,838	172,337	2,854,923	3,402,098
-	-	2,007,106	1	764,945	2,772,052
237,262	7,848,275	4,663,307	172,338	3,619,868	71,934,697
(1)	(83,922)	(4,549,307)	7,032	(3,619,868)	(16,562,398)
-	-	2,322,992	-	3,575,548	10,874,477
(1)	(83,922)	(2,226,315)	7,032	(44,320)	(5,687,921)
-	1,927,984	393,761	31,572	2,032,854	18,323,499
-	-	(800,000)	-	(1,988,534)	(2,788,534)
\$ (1)	\$ 1,844,062	\$ (2,632,554)	\$ 38,604	\$ -	\$ 9,847,044

# **SAN FRANCISCO UNIFIED SCHOOL DISTRICT**

## **NOTE TO SUPPLEMENTARY INFORMATION**

**JUNE 30, 2004**

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### **NOTE 1 - PURPOSE OF SCHEDULES**

#### **Schedule of Expenditures of Federal Awards**

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

#### **Summary of the Office of Criminal Justice Planning Grants**

The Office of Criminal Justice Planning's Grantee Handbook requires that expenditures by category information be presented in the fiscal year reports. This schedule was prepared to comply with this requirement.

#### **Schedule of Average Daily Attendance (ADA)**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionment's of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

#### **Schedule of Instructional Time**

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206.

Districts must maintain their instructional minutes at either the 1982-83 actual minutes or the 1986-87 requirement, whichever is greater, as required by Education Code Section 46201.

#### **Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report, to the audited financial statements.

#### **Schedule of Financial Trends and Analysis**

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

#### **Schedule of Charter Schools**

This schedule lists all Charter Schools chartered by the School District or County Office of Education, and displays information for each Charter School on whether or not the Charter School is included in the School District audit.

**NOTE TO SUPPLEMENTARY INFORMATION**

**JUNE 30, 2004**

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***Non-major Governmental Funds – Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance, Unaudited***

The Non-major Governmental Funds Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance.

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Board of Education  
San Francisco Unified School District  
San Francisco, California

We have audited the financial statements of San Francisco Unified School District as of and for the year ended June 30, 2004, and have issued our report thereon dated January 18, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered San Francisco Unified School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect San Francisco Unified School District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Financial Statement Findings as items 2004-1 and 2004-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether San Francisco Unified School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Education, management, the California Department of Education, the State Controller's Office, Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Varrinck Trine Day & Co. LLP

San Jose, California  
January 18, 2005

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***INDEPENDENT AUDITORS' REPORTS***

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